



भारत का राजपत्र The Gazette of India

EXTRAORDINARY

भाग II—खण्ड 2

PART II—Section 2

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं० 46]

नई दिल्ली, सोमवार, मई 24, 1976/ज्यैष्ठ 3, 1898

N.o 46]

NEW DELHI, MONDAY, MAY 24, 1976 JYAISTHA 3, 1898

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संहिता के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation

LOK SABHA

The following Bill was introduced in Lok Sabha on 24th May, 1976:—

BILL No. 61 OF 1976

A Bill further to amend the Industrial Finance Corporation Act, 1948, the State Bank of India Act, 1955, the Industrial Development Bank of India Act, 1964, and the Regional Rural Banks Act, 1976.

Be it enacted by Parliament in the Twenty-seventh Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. This Act may be called the Banking and Public Financial Institutions Laws (Amendment) Act, 1976.

Short title.

2. Any reference in sections 3(i), 4(ii), 5(i) and 6(i) of this Act to the chairman or, as the case may be, vice-chairman or managing director shall be construed as including a reference to the person holding office as such at the commencement of this Act.

Construction of references.

CHAPTER II

AMENDMENTS TO THE INDUSTRIAL FINANCE CORPORATION ACT, 1948

3. In the Industrial Finance Corporation Act, 1948,—

(i) in section 10A, after sub-section (2), the following sub-section shall be inserted, namely:—

Amendment of Act 15 of 1948.

“(2A) Notwithstanding anything contained in sub-section (2), the Central Government shall have the right to terminate the term of office of the Chairman at any time before the expiry of the term specified in sub-section (2) by giving him notice of not less than three months in writing or three months’

salary and allowances in lieu of such notice; and the Chairman shall also have the right to relinquish his office at any time before the expiry of the term specified in sub-section (2) by giving to the Central Government notice of not less than three months in writing.”;

(ii) in section 13, to sub-section (1), the following proviso shall be added, namely:—

“Provided that no person shall be removed from his office, under this sub-section, unless he has been given an opportunity of showing cause against his removal.”.

CHAPTER III

AMENDMENTS TO THE STATE BANK OF INDIA ACT, 1955

4. In the State Bank of India Act, 1955,—

(i) in section 19, in sub-section (1),—

(a) in clause (a), the words “and after consideration, of the recommendations made by the Central Board in that behalf” shall be omitted;

(b) in clause (b), for the words “by the Central Board with the approval of the Central Government”, the words “by the Central Government in consultation with the Reserve Bank” shall be substituted;

(ii) in section 20,—

(a) in sub-section (1), for the words “The chairman and the vice-chairman”, the words “The chairman, vice-chairman and each managing director” shall be substituted;

(b) after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) Notwithstanding anything contained in sub-section (1), the Central Government shall have the right to terminate the term of office of the chairman, vice-chairman or a managing director, as the case may be, at any time before the expiry of the term fixed under sub-section (1) by giving him notice of not less than three months in writing or three months’ salary and allowances in lieu of such notice; and the chairman, vice-chairman or a managing director, as the case may be, shall also have the right to relinquish his office at any time before the expiry of the term so fixed by giving to the Central Government notice of not less than three months in writing.”;

(c) sub-section (2) shall be omitted;

(iii) in section 23, in clause (b), for the words “chairman and vice-chairman”, the words “chairman, vice-chairman and a managing director” shall be substituted;

(iv) in section 24,—

(a) in sub-section (1), for the words “the chairman or the vice-chairman”, the words “the chairman, vice-chairman or a managing director” shall be substituted;

Amend-
ment of
Act 23 of
1955.

(b) sub-section (2) shall be omitted;

(c) in sub-section (6), the words, brackets and figure "or sub-section (2)" shall be omitted;

(v) in section 25, for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) If the chairman, vice-chairman or a managing director is rendered incapable of discharging his duties by reason of infirmity or otherwise or is absent on leave or otherwise in circumstances not involving the vacation of his office, the Central Government may, in consultation with the Reserve Bank, appoint another person to officiate in the vacancy.";

(vi) in section 27, in sub-section (2),—

(a) for the words "as may be determined by the Central Board with the approval of the Central Government:", the words "as may be determined by the Central Government." shall be substituted;

(b) the proviso shall be omitted;

(vii) in section 28, in sub-section (2),—

(a) for the words "as may be determined by the Central Board with the approval of the Central Government:", the words "as may be determined by the Central Government." shall be substituted;

(b) the proviso shall be omitted;

(viii) in section 29, in sub-section (2),—

(a) for the words "as may be determined by the Central Board with the approval of the Central Government:", the words "as may be determined by the Central Government." shall be substituted;

(b) the proviso shall be omitted.

CHAPTER IV

AMENDMENTS TO THE INDUSTRIAL DEVELOPMENT BANK OF INDIA ACT, 1964

5. In the Industrial Development Bank of India Act, 1964 in section 6,—

(i) after sub-section (2), the following sub-section shall be inserted, namely:—

"(2A) Notwithstanding anything contained in sub-section (1), the Central Government shall have the right to terminate the term of office of the chairman or managing director, as the case may be, at any time before the expiry of the term specified under sub-section (2) by giving him notice of not less than three months in writing or three months' salary and allowances in lieu of such notice; and the chairman or managing director, as the case may be, shall also have the right to relinquish his office at any time before the expiry of the term specified under sub-section (2) by giving to the Central Government notice of not less than three months in writing.";

Amend-
ment of
Act 18 of
1964.

(ii) after sub-section (3), the following sub-section shall be inserted, namely:—

“(3A) The Central Government may, at any time, remove the chairman or the managing director, as the case may be, from office:

Provided that no person shall be removed from his office, under this sub-section, unless he has been given an opportunity of showing cause against his removal.”.

CHAPTER V

AMENDMENTS TO THE REGIONAL RURAL BANKS ACT, 1976

Amend-
ment of
Act 21 of
1976.

6. In the Regional Rural Banks Act, 1976, in section 11,—

(i) after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) Notwithstanding anything contained in sub-section (1), the Central Government shall have the right to terminate the term of office of the Chairman at any time before the expiry of the period specified under sub-section (1) by giving him notice of not less than three months in writing or three months' salary and allowances in lieu of such notice; and the Chairman shall also have the right to relinquish his office at any time before the expiry of the period so specified by giving to the Central Government notice of not less than three months in writing.”;

(ii) for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) The Central Government may, at any time, remove the Chairman from office:

Provided that no person shall be removed from his office, under this sub-section, unless he has been given an opportunity of showing cause against his removal.”.

STATEMENT OF OBJECTS AND REASONS

It is proposed to bring about a measure of uniformity in the procedure for appointment, fixation of the terms and conditions of service including removal from, or termination of, service of the chairman, vice-chairman, and managing directors of the State Bank of India, chairmen of the Regional Rural Banks, chairman of the Industrial Finance Corporation of India and chairman and managing director of the Industrial Development Bank of India in the relevant enactments regulating the said institutions. These Executives will also have the option to relinquish office by giving the Central Government a notice of three months. It is proposed to make the amendments applicable to the existing incumbents of these offices also.

2. Opportunity has also been taken to streamline some other provisions of these Statutes.

NEW DELHI;
The 21st May, 1976.

PRANAB MUKHERJEE.

S. L. SHAKDHER,
Secretary-General.

